

STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL SERVICES DIVISION
P.O. Box 942850
Sacramento, CA 94250-5878

DATE: October 15, 2003

PERSONNEL LETTER # 03-016
CIVIL SERVICE ONLY

TO: All Agencies in the Uniform State Payroll System

FROM: JOHN R. HARRIGAN, Chief
Personnel/Payroll Services Division

RE: **JULY 1, 2003 GENERAL SALARY INCREASE AND PERSONAL LEAVE PROGRAM - CIVIL
SERVICE BARGAINING UNITS 05, 08, 16 AND 19**

Pursuant to the memorandum of understandings, the Department of Personnel Administration (DPA) has approved a general salary increase for rank and file classes/ranges in bargaining units 05, 08, 16 and 19. DPA has also added Alternate Range Criteria 285 to the rank and file classes in which confidential and E97 designated employees exist. Both the GSI and alternate range change are effective July 1, 2003. Refer to DPA Pay Letters 03-CHP and 03-14 for further information.

DPA also reached agreements with the above four bargaining units which require employees to participate in a Personal Leave Program (PLP) effective July 1, 2003. The program specifies that an employee's base salary be reduced by 5% in exchange for the equivalent of one day of personal leave credit. The PLP pay reduction will be achieved through the PLP differential earnings id (EID): 8PLP. See above DPA Pay Letters for further details.

The GSI, alternate range change and PLP pay reduction occurred via an EH mass update or will occur manually for employees who were not included in the mass update (see below). All rank and file employees with CBIDs of E05, E08, E16, E19, R05, R08, R16 and R19 were included in the update. Confidential and E97 designated employees were included in the alternate range change update.

The GSI and PLP should be reflected in the October 2003 master payrolls for employees whose EH records are updated by the PPSD update processes. Adjustment payments for the 07/2003 to 09/2003 pay periods may be issued. See page 5, Section IV. Payroll Adjustments for additional information.

A Personnel Letter with further information and detailed processing instructions on the Personal Leave Program will be issued in the near future. Also, a Leave Letter will be issued providing CLAS information and procedures for the personal leave credits.

I. EH MASS UPDATE PROCESS

A. General Information

The GSI shall be documented via the EH GEN transaction with a 07/01/03 effective date. The GEN transaction will reflect the GSI within the employee's base salary rate. Likewise, rate changes for any established EIDs that are based on a percentage of the base salary rate will be reflected on the GEN transaction.

The GEN transaction will also reflect the addition of the PLP differential EID: 8PLP (Pay Differential 273 or 279). See DPA Pay Letters 03-CHP and 03-14 for additional information on the PLP differential. Also, see below for special EH information related to employees with three established EIDs on their EH records.

The alternate range change shall be documented via the EH 335 transaction with a 07/01/03 effective date for confidential and E97 designated employees. The range change for rank and file employees shall be included in the GEN transaction.

B. EH Mass Update

This EH mass update is the second of three EH updates to be done in October 2003. The first occurred the night of October 7, 2003 (see Personnel Letter #03-015).

The EH update for bargaining units 05, 08, 16 and 19 occurred the night of October 9, 2003. The update posted the 07/01/03 effective date GEN transaction for the rank and file employees in the above bargaining units except as indicated below.

Turnaround (TAD) PARs will be issued after the last EH mass update is processed for the month.

II. EH MANUAL UPDATE PROCESS

PPSD and departments will need to manually update the EH records of employees who are not included in the above EH mass update.

A. PPSD

PPSD will manually update the EH records of employees who:

- rejected from the mass update process; or
- have a plus salary rate; or
- have an out-of-sequence EH record (i.e., EH record reflects transactions with an effective date after 07/01/03); or
- separated prior to 07/01/03 with lump sum extending into the 07/2003 pay period (GEN transaction will not reflect the PLP differential EID: 8PLP).

The manual process will begin on October 10, 2003. TAD PARs will be issued from the manual update process as the employees' EH records are updated.

B. Departments

Departments will need to manually update the EH records of employees meeting the following situations.

1. Employees Who Separated On/After 07/01/03

For employees who separated on/after 07/01/03 and the separation transaction is already posted, departments will need to:

- post the GSI and PLP pay reduction, if applicable, by processing a 07/01/03 effective date GEN transaction; and
- if applicable, correct the EH separation transaction to reflect the PLP credit in the lump sum vacation data field and to correct or enter Item 962, Separation Pay At Alternate Salary Rate, to exclude the PLP pay reduction amount for lump sum pay purposes. See PAM page 2.149 for Item 962 coding instructions.

2. Employees under the 9-12, 10-12 or 11-12 pay plan

If the employee is on work status as of July 1, 2003, process a 07/01/2003 effective date GEN transaction. Enter the PLP differential EID: 8PLP on the GEN transaction. If it is not entered, overpayments will result.

Also, enter the GSI salary rate on the GEN transaction for 9-12 or 11-12 employees. If it is not entered, the rate will be computed incorrectly by the EH on-line system.

3. Employees in the Limited Examination and Appointment Program (LEAP) Candidate classification (class code 4687)

If the LEAP employee is performing the duties of a parallel classification in bargaining units 05, 08, 16 or 19, process a 07/01/03 effective date SAL transaction. Enter the GSI rate and PLP differential earnings id: 8PLP on the transaction.

4. Employees in the New Program Consultant classification (class code 4661)

Process a 07/01/03 effective date GEN transaction as indicated in DPA Pay Letter 03-14. Enter the GSI salary rate and PLP differential EID: 8PLP on the transaction.

III. SPECIAL EH PROCESSING INFORMATION/INSTRUCTIONS

A. EH Keying Restriction

Departments can resume EH keying for employees whose EH records are updated by the mass update process starting on October 10, 2003. EH keying can resume for employees involved in the manual update effort upon receipt of their TAD PAR.

NOTE: Departments must ensure that the PLP differential earnings ID: 8PLP is reflected, as appropriate, on transactions key entered on/after October 10, 2003. Failure to do so could result in overpayments.

B. Out-of-sequence Processing

Once the employees' EH records are updated, the 07/01/03 GEN transaction could create an 'out-of-sequence' condition. Salary rate, if allowed, must be entered on any new out-of-sequence transaction. If not entered, the 07/01/03 GSI rate may be reflected on the transaction and could create an overpayment situation. See PAM Section 9 for further processing information.

If correcting a transaction with a 07/01/03 effective date that was keyed before the 07/01/03 effective date GEN transaction, the GSI Code O must be entered on the correction transaction. The GSI Code O denotes old salary rate. Key enter an alpha 'O' in the GSI field on the PAR1 update screen. Failure to enter the GSI Code O could result in an incorrect base salary rate and anniversary date, if correcting the 07/01/03 effective date MSA transaction.

C. Employees With Three Established EIDs

Existing EH System restrictions only allow three established EIDs on an employee's EH record. For employees with three established EIDs and updated by the mass update or PPSD manual process, one of the EIDs was deleted and replaced with the PLP differential EID: 8PLP. For the small number of impacted employees, a list or Form PSD 40, Notification of Correction/Cancellation of PAR Transaction(s), will be sent to departments identifying the affected employees and deleted EID.

Effective with the October 2003 pay period, the departments will need to pay the deleted EID manually via the PIP System process. See PPM Sections G100 and K for processing information.

D. Separation Pay

Lump sum pay is not to be affected by the PLP pay reduction. Departments will need to use the EH Item 962 on the separation transaction to issue lump sum pay at the appropriate rate. See PAM page 1.149 for Item 962 coding instructions.

E. Overtime and Holiday Pay

The overtime pay and holiday pay are not to be affected by the PLP pay reduction. For regular overtime pay (non-FLSA overtime) and holiday pay - system generated rate (payment type S, payment type suffix H), the Payroll System will calculate the pay rate with the PLP differential EID: 8PLP included. System changes are underway to exclude the differential and a Payroll Letter will be issued when the changes are implemented. Until then, departments will need to calculate and enter the pay rate for all overtime and holiday pay beginning with the July 2003 pay period.

See below for processing information related to pay that has already been issued. For new pay requests, use the EIDs that require the calculation and entry of pay rate.

See PPM Sections G020-024 and G925-930 for further information.

F. Disability Pay

Disability pay is not to be affected by the PLP pay reduction. However, the impact of the PLP pay reduction on supplementation pay and pay for time worked while on disability are outstanding. Further processing information and instructions will be issued once clarification is received.

IV. PAYROLL ADJUSTMENTS

Regular pay and regular overtime pay (non-FLSA overtime) adjustments for the 07/2003 to 09/2003 pay periods could result for some employees once their EH records are updated for the GSI and PLP. Employees with a plus salary rate, or an established EID that is based on a percentage of the base salary rate, or a GSI increase other than 5%, or an adjusted gross amount greater than \$0.05 per pay period should receive a retroactive adjustment payment. The adjustments, if applicable, should be made in the payroll cycle issue dated October 10, 2003 for employees whose EH records are updated via the mass update process. Employees on direct deposit should have their adjustment payments posted to their accounts by October 15, 2003. Adjustments, if applicable, for employees involved in the manual update effort should issue once their EH records are updated.

Any of the regular overtime pay adjustments that issue per above will be made with the PLP differential EID: 8PLP included. Since overtime pay is not be affected by the PLP pay reduction, PPSD will manually issue subsequent adjustments.

Departments will need to request adjustments to FLSA overtime payments (payment type 1, payment type suffix F) via the PIP System. See PPM Sections G020-024 and K for further information. Likewise, departments will need to submit Form STD. 674 to request adjustments for the following payments.

- regular pay with dock applied for employees with a mid-month change
- regular pay for employees on an alternate work schedule or paid from a shift designated agency code and time paid does not equal time possible for the pay period
- holiday pay, user entered rate (payment type S, payment type suffix G)
- supplemental premium/pay differential pay if the pay rate is based on a percentage of the employee's base salary rate

Processing information for disability pay adjustments will be issued upon clarification of the impact of the PLP pay reduction to employees on disability leave.

V. RETROACTIVE CHARGES

All transactions as a result of the July 1, 2003 GSI, range change and PLP pay reduction are considered to be non-controllable personnel and payroll transactions. The EH transactions and payroll adjustments resulting from the EH mass update should not be reflected on the Monthly Retroactivity Report. The EH transactions, except for the GEN transaction, and payroll transactions that are keyed entered or initiated by PPSD and departments could appear on the department's report. The department can return the report identifying the items associated with the GSI, range change and PLP pay reduction along with the appropriate explanation.

VI. CONTACTS

Questions regarding the GSI, range change, PLP pay reduction and EH/payroll processing information can be directed as follows:

SUBJECT AREA	CONTACT	TELEPHONE NUMBER
Salary/PLP Program	DPA	(916) 324-0439
EH Procedures	Personnel Operations Liaison Unit	(916) 322-6500
General Payroll Procedures	Payroll Liaison Unit	(916) 323-3081